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‘Empowered patient’ or ‘Doctor knows best’?

Political Economy Analysis and Ownership

Jonathan Fisher and Heather Marquette

Abstract:

Efforts to incorporate ‘political thinking’ into policy-making and practice in Western development agencies has increasingly focused on the use of ‘political economy analysis’ (PEA) frameworks and “tools”. While recognizing the fundamental value of promoting politically-informed programming, this article suggests that the ‘PEA’ model is a flawed vehicle for driving this ambition forward. Our critique emphasizes the highly donor-centric nature of PEA design and methodology and the deleterious impact this has on fostering ‘local’ ownership of reform agendas and programmes. The article concludes by exploring alternative, more participatory, options for helping donors and recipients to ‘think and act politically’.

KEY WORDS: Ownership; Donors; Political Economy Analysis; Participation; Development Policy-Making; Africa.

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Introduction

The notion that 'politics matters' has become central to international development thinking in the last decade. An agenda focused on better understanding local political contexts and incorporating these understandings into development policy-making and interventions has now established itself across development studies as well as the policy world itself. Operationalising this 'thinking and acting politically' ambition, however, has proven challenging for most donor agencies which have increasingly come to rely on a plethora of externally-devised 'political economy analysis' (PEA) frameworks and toolkits to bridge the gap between ambition, need and capacity in this regard. The PEA approach focuses on analysing what drives political behaviour in given contexts and the effects these 'drivers' have on policy and development interventions.

More than a decade since PEA's introduction, however, the incorporation of 'political thinking' into donor agencies has not led to fundamental change and the approach does not seem to have caused most donor officials to substantially rethink their primarily technocratic 'implicit assumptions about how development happens' (Unsworth 2009: 883). Indeed, the PEA agenda has steadily moved away from an aspiration to bring about profound change in the way donors think and act towards a far more pragmatic focus on 'problem-solving' and assisting with specific, *ad hoc* operational challenges. This retreat has, in part, been a result of PEA's proponents underestimating the institutional and bureaucratic challenges to mainstreaming political thinking in donor agencies which are rarely populated by political scientists and are permeated by pressures to 'spend money'. As Duncan and Williams (2012) have noted, PEA studies have rarely concluded that more aid funds should be disbursed by donor officials and have more often formed an element of a 'dismal science of constraints'.

This article considers the current PEA approach from a different perspective, however, focusing on issues of ownership and transparency. For while incorporating recipient voices and preferences into development policy-making and practice has become an integral part of the aid effectiveness agenda since the early 2000s, proponents of the contemporary PEA approach have not sought to adapt the instrument's focus to reflect this; the instrument remains highly donor-centric and secretive in nature and does not engage seriously with questions of recipient participation. This, it is argued, reflects a wider crisis in contemporary development policy-making (at least among OECD-DAC donors) whereby enthusiasm for ownership and partnership-led approaches rub up against the difficulties of working in states where authorities remain uncommitted to core Western donor agendas such as poverty reduction and good governance and where increasing (re)integration of development agencies into foreign ministries often brings to the fore concerns with ensuring aid outcomes are aligned with donors' national interests.

While greater donor transparency in the PEA process is desirable – and currently under exploration in some cases – this trade-off between normativity and practicality is likely unavoidable. Given this, the article concludes by arguing for more open circumspection and reflection among Western aid agencies on the *de facto* limits of ownership and for greater sincerity on the degrees of partnership they are able to foster across the states and societies with which they work.

This analysis draws on a range of data collected in London, Washington, Paris and a range of developing states since the mid-2000s. This data has been gathered through interviews with donor and recipient country officials and PEA consultants, designers and trainers; participant observation of PEA debate and training in a number of settings including donor workshops and events and PEA 'community of practice' meetings and through conducting PEA studies ourselves. Content analysis of public and internal documents produced by development agencies since the early 2000s – particularly PEA frameworks, reports, 'how-to guides' and evaluations - has also formed an important part of the research process. Following several rounds of revisions, the findings of the research were presented to many of the respondents consulted in a range of public and private fora, including at the OECD in April and December 2013 and the World Bank in June 2014, enabling further dialogue to take place around the main critiques outlined.

The research therefore focuses on OECD-DAC or 'Western' donor approaches and perspectives in the main, since these have been the main development actors supportive of both the 'ownership' and PEA agendas since the late 1990s – rhetorically, financially and normatively. While we acknowledge that non-DAC donors have played an increasingly influential role in at least the former discussion – as part of High-Level Fora and other multilateral organizations and platforms – they are not the focus of this piece.

The article begins by unpacking the concept of 'ownership' itself, highlighting the gap between its formal definition at High-Level Aid Effectiveness Fora, its technocratic operationalization and its broader – and 'fuzzier' – interpretations among donor and recipient policy-makers in a range of contexts. Building on other scholars' work we contend that the 'failure' of the ownership agenda – in peacebuilding and security sector reform as much as in international development – derives not from a deficiency in its central proposition (that recipient stakeholders should design, manage and implement reforms in their countries) but in its simplistic conceptualization and operationalization by donors. We then show how contemporary approaches by many OECD-DAC donor agencies to incorporating political 'thinking' into their work have largely ignored the ownership paradigm. We conclude by exploring critiques and justifications of this state of affairs, ultimately arguing that donors would benefit from embracing a more flexible and context-specific understanding of ownership, both rhetorically and operationally.

Ownership: From 'new agenda' to 'technocratic fetish'

The scholarly and practitioner narrative on 'ownership' – the idea, in the words of the 2005 Paris Declaration on Aid Effectiveness, that recipient stakeholders should 'take stronger leadership of their own development policies' and be supported by donors in this regard – has become a familiar one. There is widespread acceptance among policy-makers and academics that local ownership (however defined) is imperative for any external intervention to be successful and have any sustained positive impact; this is true not only of development interventions but also those focused around peacebuilding and security sector reform (SSR) (Autesserre 2014; Donais 2009). There is even greater consensus, however, around the belief that ownership has not been realised in practice in most cases.

Diagnoses of ownership's shortcomings have focused heavily on donors' reluctance (justified or otherwise) to concede control over aid resources (notably budget support), reform policies and intervention initiatives to different types of national and local leadership (Autessere 2014; Hayman 2011; Swedlund 2013) as well as on the fundamental one-sidedness of the ownership agenda as devised at High-Level Fora on Aid Effectiveness since the early 2000s (Hyden 2008). Some detractors have even dismissed the concept's value, labelling it facile or overly technocratic (Cornwall 2007; Zimmerman 2007; Booth and Unsworth 2014: 3). Indeed, the latter was one criticism made by respondents on ownership in this research when discussing its relevance for PEA.

While most of these critiques are well-founded, they serve to conflate what we would argue to be the problematic operationalization of a concept – via successive High-Level Fora - with the idea that the *concept itself* is lacking in merit. For even in the case of the 2005 Paris Declaration on Aid Effectiveness there is a marked contrast between how ownership is defined and how it is proposed that it should be measured. The Declaration understands ownership broadly as 'stronger…developing country government leadership of their own development policies…[with donors] respecting countries' priorities'. This is to be assessed, however, by the existence of national development plans (particularly Poverty Reduction Strategy Papers) linked to medium-term expenditure frameworks and national budgets – documents often produced with a high degree of donor involvement (OECD 2008: 9-15; Harrison 2004).

In defining ownership narrowly – as buy-in to a largely donor-devised set of policies by a recipient government – representatives at Rome, Paris and elsewhere have promoted an 'official' understanding of the idea which differs from that of many recipient governments who view ownership as political control over their state's development agenda itself; what Hyden refers to as 'power to' vs 'power over' (Hyden 2008; Swedlund 2013; Whitfield and Fraser 2009). Crucially, many OECD-DAC development officials interviewed as part of this research (particularly those based in country offices) have tended to understand ownership through a more political lens ('who', as one European aid official put it, 'has the ultimate say over the direction and content of policy agendas') further complicating the 'official' and 'unofficial' interpretations of ownership among development actors. (interviews and discussions with: OECD-DAC donor governance officials in Washington and Paris, 2012-2014).

The aid effectiveness debate has also portrayed national governments as the only serious stakeholders at the 'local level', debates on the role of parliamentarians and 'democratic ownership' at Busan in 2011 notwithstanding. This derives, as Faust notes, from an optimistic interpretation of the development-democratization nexus which places an inclusive discussion and negotiation of the national development plan/PRSP at the heart of the process (see, for example, World Bank 2005: 5). Such a simplification of the messy, contested nature of policy-making is problematic when applied to any polity but particularly, Faust suggests, within semi-authoritarian states and those transitioning from autocracy towards democracy (Faust 2010).

Disillusion with the Paris Declaration's approach to ownership, however, should not mean abandoning the promotion of ownership by donors. Contemporary explorations of the concept at both theoretical and empirical levels by Booth, Whitfield and Fraser and Buffardi, for example, show how it can be meaningfully understood and employed as an analytical tool when done so outside of the Paris/OECD operational framework. Booth, for example, seeks to unpack the different types of actors within particular states whose buy-in is necessary for a particular set of policies to be genuinely 'owned' by a polity, taking-in civil society actors and the state bureaucracy as well as the senior political leadership (Booth 2003: 27-37).

Whitfield and Fraser go somewhat further, assess the 'degree of control recipient governments are able to secure over implemented policy outcomes' taking into account the provenance of the policy itself and the power balance between donor and recipient in its initial proposal and negotiation (Whitfield and Fraser 2009). In doing so, they are able to plot the degree of ownership by a range of African states on a spectrum from 'weak' to 'strong' ownership in a far more nuanced and context-specific manner than that proposed at Paris.

Buffardi, in this journal, seeks to dispense with attempts to 'collapse [ownership]…into a single concept' altogether, arguing that a more fruitful approach is to explore 'patterns of relationships between donors and local actors' (2013). In doing so, she identifies three relationship patterns: where donors maintain control of programmes and funding ('doctor knows best'), where national governments take the lead ('empowered patient') and where responsibilities are shared between donors, governments, NGOs and civil society actors ('it takes a village'). She assesses these relationship patterns during five different phases of policy development beginning with 'problem identification' and ending with the implementation and governance of a policy or programme.

This is a particularly helpful framework for exploring ownership in practice as it acknowledges both of Hyden's 'power over' and 'power to' in the reform-making process. It also highlights the varying degrees of ownership that can exist simultaneously among and between 'local' actors and donors within individual sectors and policy arenas themselves; within the Peruvian health sector alone, for example, Buffardi identifies all three patterns of relationship between donors and local actors, with the 'doctor knows best' model present 'more often than would be expected' given Peru's relative political and economic stability.

Finally, it underlines the centrality of the relationships between and among donors and local stakeholders (both state and non-state) in promoting or undermining local ownership and leadership of reform processes, something missing from recent discussions of 'politically smart, locally led development' (Booth and Unsworth 2014). This complements Eyben's significant work in this field which has demonstrated in at least one case (Bolivia) that focusing on understanding the complex relationships between a range of local actors (and not simply 'safe' civil society leaders) during reform processes can help donors to bolster, rather than frustrate, local ownership and the realisation of more (although not, of course, wholly) inclusive development policies (Eyben 2005).

A final interpretation of ownership, explored only in a limited sense to date by scholars, focuses on the spirit of donor-recipient relations. Faust suggests a path towards greater partnership in donor-recipient relations which involves donors being more transparent regarding their interventions and activities in developing states, 'given the limited capacity [of many of these states' governments] to press hard for transparency' (2010: 530-531; see also Oxfam America 2010). Though this is perhaps something more difficult to measure and evaluate than, for example, recipient commitment to a PRSP, the linking of transparency to ownership resonates clearly with the perspectives of many developing state officials (Kagame 2011; interviews with civil servants: Kampala, Nairobi, Addis Ababa and Kigali, 2009-2014).

Political Economy Analysis: An introspective tool

Donor debates on 'thinking and working politically' have nevertheless largely taken place in isolation from these discussions on ownership. During the later 1990s, several prominent OECD-DAC donors – most notably the UK Department for International Development (DFID), US Agency for International Development (USAID) and World Bank – moved to incorporate better understandings of local political contexts and dynamics of recipient states into their policy-making and operational architectures following a growing disenchantment with 'technically sound' but ultimately unsuccessful interventions. They did so by commissioning a range of 'political economy analyses' (PEA) – studies of what drives political behaviour and developmental reform in given contexts – to inform officials working on, and in, these states.

Early 'first generation' versions of PEA, such as DFID's prominent Drivers of Change (DoC) programme and USAID's Democracy and Governance Assessments, were conceptualised as broad, ambitious programmes aimed at establishing 'political thinking' at the heart of donor operations and bringing about 'profound change', in the case of DoC, 'in how DFID approaches development and poverty reduction' (Warrener 2004). Though DFID and others specifically clarified early on that these efforts were not to be seen as 'single, overarching conceptual framework [s] that will enable [donor officials] to "do" a DoC analysis' this is, in fact, precisely what PEA has become since the mid-2000s (DFID 2003).

DoC's 'second generation' successors in the UK, its derivatives in Sweden, the Netherlands, the EU and elsewhere and its contemporary counterparts at the World Bank, for example, are largely presented and used as off-the-shelf toolkits for donors to make use of in solving specific reform roadblocks. This rise of what DFID and World Bank interviewees described as 'usable', 'actionable' and 'problem-focused' PEA is undoubtedly a response to donor dissatisfaction with the broader, amorphous nature of earlier PEA studies which many of our respondents made clear did little to provide direction to donor officials for ‘what to do on a Monday morning’ (interviews with: current and former DFID and World Bank officials, London and Washington, 2010-2013). This development nonetheless represents an important downgrading of earlier donor ambitions to make political thinking inherent to their work as opposed to an optional extra.

Our critique of PEA, however, focuses less on how the approach has changed over time - and how it continues to change - and more on how it has remained the same. For while PEA’s focus and ambition has shifted, its reluctance to engage with questions of recipient ownership and participation in development policy has not. In the remainder of this section we delineate three major facets of PEA which overlook the role of recipient stakeholders in the design and implementation of reform programmes. These facets are organised under three headings: a) keeping recipients at arm’s length; b) intelligence-gathering and, finally, c) PEA as a risk diagnosis tool.

Keeping recipients at arm’s length

A consistent feature of most PEA practice since the late 1990s has been the deliberate and explicit exclusion of recipient country officials from involvement in the process. PEA studies have usually been carried out in developing states by teams of consultants led by Europeans or North Americans without that state’s government being alerted or sought-out for input.[1] A 2009 OECD report, for example, concluded that 14 of the 18 donor PEA approaches surveyed (including DoC) provided ‘little or no role’ to partner country officials (OECD 2009: 5). Indeed, many donors have deliberately attempted to keep country officials ‘in the dark’ on the entire PEA enterprise.

PEA consultants interviewed for this study, for example, note how commissioning donors have often advised them ‘not to be blatant’ about their activities vis-à-vis partner government officials or, indeed, ‘not to talk to anyone in government’ entirely while carrying out PEA research (interviews with: USAID officials and PEA consultants, Washington DC and London, 2012). Others note that they have been provided with a list of pre-arranged appointments with specific individuals who are to represent their main informants during PEA fieldwork (interviews with: PEA consultants, London, 2010-2012). These subjects are rarely drawn from outside of academia, the diplomatic community ‘in-country’ or the world of NGOs and bear close resemblance to Eyben’s “safe” civil society leaders’ (Eyben 2005: 73).

Donor reluctance to ‘reach out’ beyond narrow circles in the PEA approach can also be seen in the general reluctance of most to share their findings with recipient stakeholders, with other donors or even within their own organisations and/or country offices, the latter two being a frequent complaint of many of our respondents (interviews with: World Bank and USAID officials and PEA consultants, Washington DC, 2009-2013). Donors have devised a number of strategies, for example, for limiting how widely-read PEA studies become including requesting that consultants prepare an ‘internal circulation only’ report together with one for ‘wider dissemination’ and classifying PEA studies as ‘drafts’ to render them ineligible for publication (interview with World Bank official, Washington DC, May 2012). PEA studies that are publicly released also rarely provide much information on methodology, sources of information and interviewees consulted during the research process (Mcloughlin 2013: 17-21).

The introspective nature of PEA is also discernible in the delineation of beneficiaries contained in many communications strategies attached to PEA studies. Those listed are almost always located only within the donor bureaucracy itself. A 2009 World Bank PEA framework, for example, makes clear that the approach is ‘to encourage and facilitate thinking…among Bank Group teams’ and that ‘while a number of ideas may also be of interest to others such as policy researchers and CSOs in client countries’ it is Bank personnel alone who are envisaged as the audience (World Bank 2009: 2-3).

Similarly, a 2005 DFID ‘How to Note’ delineates ‘who to involve outside DFID’ in disseminating PEA findings but in doing so highlights only UK government personnel and other donors (DFID 2005: 2). The extent to which PEA findings may be relevant or valuable to recipient stakeholders is also largely ignored in inter-donor discussions on dissemination including a 2010 meeting in London’s Overseas Development Institute (ODI) attended by one of the authors where representatives of the UK, EU, USAID, World Bank, Norway, Netherlands and Australia discussed PEA communication strategies solely in terms of donors, Western ministries and other Western state institutions.

Since PEA’s aim is to inform donor development policy-making, its exclusion of partner state actors and institutions from design stage to dissemination clearly works strongly against the spirit of ‘respecting partner country leadership’ in development management and agenda-setting. Furthermore, the secrecy intrinsic to the PEA research process can lead to an unwarranted breakdown in trust between recipient and donor when PEA findings are unwittingly leaked.

This has occurred rarely, perhaps most notably in 2005 with a World Bank commissioned-PEA study on Uganda which flagged (quite appropriately) the country’s ‘negative governance trend’ and ultimately encouraged the Bank to ‘rethink’ the ‘appropriateness’ of budget support provision to that state given this – at the time a modality representing 21% of total government expenditure (Barkan et al 2003: vii, 58; Swedlund 2013: 362). Though the Bank had previously censured the report – refusing even requests from other donors to hear its findings presented – its leaking to the Ugandan media led to a rash of panicked headlines and angry denouncements of the Bank as over-mighty and ‘using its financial power to punish the majority of Ugandans’ by senior Ugandan officials (*Daily Monitor* (Kampala), 18 May 2005; *New Vision* (Kampala), 16 May 2005; interview with report’s lead author, Joel Barkan, Washington DC, November 2009).

The limited engagement of PEA consultants with key national and local political stakeholders during fieldwork also raises questions about the quality and robustness of the studies produced – and about the reliability of their findings as 'evidence' upon which donors should base policy decisions. Such concerns regarding the varying quality of PEA studies explain, to some extent, the Dutch government's abandonment of its own PEA framework in recent years (Hout 2012: 412; Hout and Schakel 2014).

Intelligence-gathering

The donor-centric nature of PEA has also gone against the transparent spirit of donor-recipient partnership envisaged in the broader ownership agenda through appearing in practice as closer to intelligence-gathering than development cooperation. As noted, the PEA approach involves mainly teams of Western-led personnel being commissioned by Western governments to gather politically-sensitive information on, and in, foreign states without – if possible – this coming to the attention of the relevant authorities. This data is then written-up and transferred to the commissioning government which is then able to make policy decisions based on its findings with or without consulting any partner country stakeholders.

Indeed, the line between PEA and 'intelligence work' has become increasingly blurred during the 2000s with many studies being commissioned by Western embassies rather than aid agencies - particularly in donor states such as the Netherlands where the aid bureaucracy is part of the foreign ministry or in states such as Sweden where aid programmes are managed 'in-country' by an ambassador. Likewise, UK Foreign and Commonwealth Office officials have attended PEA training courses alongside their DFID counterparts since 2009 and the former have emphasised PEA's value to their own work as diplomats defending their own governments' interests rather than those of the global poor (interviews with: PEA trainer, London, October 2012; USAID officials, Washington DC, May 2012).

That PEA work takes donor officials into what one of its key developers calls 'the realm of diplomats' is recognised within most donor institutions. In one PEA-focused event the authors attended in 2012, for example, a World Bank official noted in front of colleagues that their work was 'like political intelligence' and that 'governance advisers [the cadre of donor officials most closely involved with commissioning and operationalising PEA] are almost working as intelligence officers'. At times this muddling of development and intelligence-gathering has been faintly absurd – one PEA consultant consulted for this research related how they had previously 'gone undercover' in a *madrassa* as part of a PEA exercise in a South Asian country.

On other occasions, however, it has raised important questions within donor agencies on the appropriateness of this kind of work for donor officials. World Bank staff, for example, have previously needed to be reassured that PEA assessments are 'within the Bank's mandate' given that the latter precludes Bank staff from taking 'the political affairs' of any member state into account when lending to them. Furthermore, in June 2013, the European

Commission announced that it would no longer invest in PEA in part because the skills needed to undertake PEA studies ‘belong among the core tasks of desk officers and staff in delegation and the European External Action Service’ (the Commission’s diplomatic wing).[2]

This facet of PEA is arguably problematic to the fostering of local ownership since it posits recipient countries and stakeholders as external ‘units’ to be analysed and critiqued from afar rather than to be engaged with and understood as partners in a common set of enterprises. It also distorts how donor officials view their ultimate purpose as development partners. For while institutions such as DFID are mandated to direct all of their efforts at actions which will lead to a ‘reduction in poverty’ those engaged in PEA are increasingly led into the world of ‘joint working’ with foreign ministries whose priorities focus on the donor’s own national interests, something very likely to increase with the push to bring together aid and foreign affairs staff in most donor countries.

PEA as a risk diagnosis tool

Perhaps the most fundamental clash of the contemporary PEA and ownership agendas nevertheless, is PEA’s *de facto* exclusion of recipient voices from the initial stage of problem identification (to use Buffardi’s term) in the planning of development policy. Increasingly, PEA has been used to identify ‘risks’ to potential donor interventions and investments rather than to gain better understandings of how to work effectively and sensitively in partner countries. In keeping with PEA’s donor-centric focus, these ‘risks’ have usually been based around the donor’s reputation rather than any more direct developmental concern.

In some cases, PEA has been used to identify states or projects where corruption or democratic backsliding by particular authorities may damage the reputation of a donor domestically through association. This was the case, for example, in relation to DFID and Zambia on corruption in 2005 and to both DFID and the World Bank in Uganda on growing authoritarianism in 2004-2005. In both cases, the PEA studies in question advised donors to channel their aid away from recipient country structures to ‘mitigate’ the risks of being linked directly with these practices (interviews with: USAID and DFID officials and PEA consultants, Washington DC and London, 2012-2013). PEA’s value in this regard has grown since the global financial crisis of 2007-08 as the drive towards ‘value for money’ within aid agencies has increased.

More significantly, however, PEA has also been employed by donors to guard against development ‘failures’ and to identify opportunities for ‘quick wins’. Donor respondents made clear to us, for example, that PEA is often a key tool for ‘ringing the bell’ and ‘popping up the red flag’ about planned interventions which may not succeed (interviews with World Bank and USAID officials, May 2012). Crucially, however, the response of most donors is often to drop such planned interventions altogether rather than to explore alternative intervention strategies based on the ‘lessons learned’ from the PEA exercise. Indeed, some ‘in-country’ donor respondents have argued that doing the latter to avoid ‘embarrassment’ for the donor in question has increasingly become a 'path to promotion' in London, Washington, Brussels and elsewhere (discussions with European donor officials, Kampala, June 2012).

Conversely, donor officials have argued that PEA is also helpful in highlighting 'easy victories' or, as DFID has termed it, 'what to support…to support risk management and scenario planning' (DFID 2009: 5). The World Bank has also noted that PEA allows its staff to 'identify feasible reform options [in particular sectors or countries] and better target interventions' (World Bank 2011: 11). This use of PEA as a risk and opportunity diagnostic tool has been significantly exacerbated by growing pressure within donor agencies for donor officials to produce development 'results' for an increasingly aid-weary European and North American constituents. Respondents involved in providing PEA training courses for DFID, UNDP and Irish Aid staff since 2009, for example, have noted that practical concerns on how to align PEA approaches with this 'results agenda' have been one of the central discussion themes among donor officials at these events (interview with PEA trainer, London, October 2012).

While such uses of PEA may seem sensible and even justifiable – particularly in the case of protecting aid funds from embezzlement or diversion – the impact of this upon recipient ownership of development policies is problematic. The general exclusion of recipient state stakeholders from the PEA enterprise means that the diagnosis of 'problems' and 'opportunities' for intervention are decided upon by donor officials largely in isolation from those groups and communities whose 'problems' these – putatively – are, and whose support and 'buy-in' is required to make such interventions effective. This approach directly contradicts even the Accra Agenda's narrow understanding of ownership as donors supporting 'countries' priorities' and 'leadership of their own development policies'. Indeed, the donor-recipient relationship realised in most PEA processes falls very clearly into Buffardi's 'doctor knows best' category.

Conclusion: PEA and ownership – the era of the trade-off?

If the fostering of recipient ownership (at least at the level of state officials) is viewed as the key guiding principle of development policy-making then PEA in its current form is deeply problematic. Its exclusion of many key recipient stakeholders throughout the process - and of all in its early stages - places agenda-setting and problem identification wholly in the hands of donor officials. Its often secretive nature can also lead to a breakdown of trust and sense of partnership between donors and recipient stakeholders, again undermining the key fundamentals required for greater ownership to be fostered.

These issues would remain largely normative concerns if PEA were viewed as a successful approach to helping donor officials 'think and work politically' in developing states. Assessments of PEA's efficacy in doing so, however, have not been optimistic, with even its most prominent proponents acknowledging that the approach 'is having little influence on mainstream debates about aid and donors are [still] not questioning their implicit assumptions about how development happens' (Unsworth 2009: 883). Likewise, evidence of PEA's success in improving development programmes and outcomes is limited to a handful of cases (see Duncan and Williams 2012) – indeed, during PEA community of practice meetings attended by the authors during this research, the same one or two examples of 'PEA working' were consistently highlighted, suggesting a rather shallow pool of such cases to date.

This is not to say, of course, that more inclusive approaches to PEA – where for example, analyses are undertaken jointly with state and non-state stakeholders or, at least, with greater collaboration – will necessarily lead to clear improvements on either score. Recent investment in this area by both the World Bank Institute and DFID may nevertheless provide a useful evidence base in this regard in the future (for example, SAVI 2014; WBI, nd).

The fundamental objectives of many Western donor agencies – to promote poverty reduction, pro-poor economic growth and governance reform and sustainable, equitable development – nonetheless arguably necessitate a more exclusive approach to PEA by these actors in some contexts. For while greater collaboration with state and non-state actors may be both feasible and effective for Western donors in more politically-open and pro-poor states such as Buffardi's Peru or Eyben's Bolivia, the situation may be far less clear in others. Many donor officials and PEA consultants interviewed for this study, for example, argued that closer coordination with state officials in more authoritarian states would – and *had* in some cases – lead to political analyses being 'toned-down', 're-directed' or 'muffled' in ways which would ultimately render the instrument ineffective for achieving its aims (discussions with: OECD-DAC donor officials and PEA consultants, London, Paris and Washington DC, 2009-2013). In other words, a more open approach to PEA could potentially jeopardize aspects of the development project itself where donor and recipient agendas clash.

This quandary highlights a major unresolved tension at the heart of development discourse and practice in the current era: that between an emancipatory, aid effectiveness agenda and an adapted good governance agenda. Donors commit to empowering developing country stakeholders politically and operationally only while they are perceived to remain committed to progressive development and governance policies, as defined, largely, by OECD-DAC states (Booth 2011). This is perhaps no more clearly demonstrated than in the revival since the mid-2000s of 'political conditionality' in the management of Western aid flows. Thus while donors such as DFID disowned the practice of making aid conditional upon governance reform in the late 1990s – aligning with the nascent ownership agenda – this position has been consciously walked-back in recent years (Hayman 2011; Fisher 2015).

Though reconciling this tension is beyond the scope and ambitions of this brief article, a trend emerging within 'third generation' PEA and development more widely is worthy of note by way of conclusion. This approach is informed by a more hard-headed acknowledgement of the multiple layers and forms of donor-recipient partnership which exist even within individual states, as well as the likelihood of there being areas of agreement between donors and recipients over areas of public policy in almost all instances.

Thus, it is argued, donors should seek to work with developing country governments – including incorporating them into joint PEA exercises - around areas of shared values (eg education reform in Burundi or pro-poor developmental spending in Rwanda or Ethiopia) even when fundamental disagreement exists in other areas of policy (Campos et al 2013; Booth 2015). For some, this can be an end in itself, for others a 'foot in the door' to promote positive change elsewhere in the polity (interviews with: World Bank Institute officials, Washington DC, 2012-2013).

For OECD-DAC donors, however, formally recognizing such trade-offs as part of policy discourse involves advancing into unfamiliar and uncomfortable territory. The eras of good governance and aid effectiveness have cemented a heavily universalist and absolutist narrative within the formal pronouncements of most donor agencies; 'all good things' are argued to 'go together' and recipient transgressions in one arena (eg democratization) require action across a development portfolio. A growing sensitivity among particularly northern European donors to the perceived sensitivities of domestic constituencies have also made many officials increasingly risk-averse – few wish to endanger their agencies' domestic reputation by aligning too closely with regimes which have poor records on democratization, human rights or corruption, for example (Fisher 2015). Arguably, then, donors' desires to maintain transparency in their relations with domestic audiences currently undermine their ability to engage more strategically – and potentially effectively – in recipient states, in PEA and beyond.

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Notes

[1] A comprehensive list of Political Economy Analyses outputs is not available for the reasons outlined above. This point is based on the authors' observations from engaging with a large range of PEAs from across the donor community since the late 2000s and on interviews with current and former PEA consultants conducted since this time. An analysis of the 15 publicly-available DFID DoC team documents produced between c.2001-2007 which contain details of team composition/authorship (most available in Mcloughlin 2013) reveals that only one such team was led by a non-European (Kenya). Likewise, in only two instances were teams composed primarily of non-Europeans (Kenya and Malawi).

[2] This post was removed soon after it went online on 28 June 2013 but was available at capacity4dev.ec.europa.eu/political-economy/blog/new-directions-eu-pea-0. We approached the post's author for comment but received no response.

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